

LEGISLATIVE UPDATE

HOUSE COMMITTEE ON THE BUDGET
Majority Caucus

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H.R. 2213 – THE CROP YEAR 2001 AGRICULTURAL ECONOMIC ASSISTANCE ACT

Summary: H.R. 2213, the Crop Year 2001 Agricultural Economic Assistance Act, provides market loss payments to agricultural producers in fiscal year 2001 for losses anticipated in the 2001 crop year (see bill summary below). The bill – as reported by the Committee on Agriculture, and scheduled for the floor under suspension of the rule – is fully consistent with the fiscal year 2002 budget resolution, and complies with applicable sections of the Congressional Budget Act.

Cost of Legislation: The bill increases budget authority [BA] by \$5.5 billion in fiscal year 2001. This is a one-time payment, which would not be subject to subsequent appropriations action. In contrast to the practice of recent years, the bill does not designate the assistance as an emergency, which automatically would have increased the appropriate levels in the budget resolution and exempted the bill from pay-as-you-go [PAYGO] requirements.

Legislation Compared With the Budget Resolution: The Concurrent Resolution on the Budget for Fiscal Year 2002 (H.Con.Res. 83) revised the allocations and budgetary aggregates for fiscal year 2001 as established in the prior year's budget resolution (H.Con.Res. 290) in addition to the Agriculture Committee's 302(a) allocation. The revision accommodated \$5.5 billion in additional emergency agricultural assistance, or reauthorization of the commodity title of the Federal Agriculture Improvement and Reform [FAIR] Act.

Compliance With the Budget Act: The \$5.5 billion in BA provided by this bill equals the revised 302(a) allocation for the Committee on Agriculture. Thus, the bill complies with section 302(f) of the Budget Act, which prohibits the

consideration of any measure that would exceed the appropriate committee's 302(a) allocation of new budget authority. Similarly, the bill does not exceed the revised budgetary levels established in H.Con.Res. 83, and therefore complies with section 311(a) of the Budget Act, which stipulates that legislation may not exceed the aggregate levels in the budget resolution.

Compliance With PAYGO: H.R. 2213 increases direct spending – spending not controlled by the appropriations process – by \$5.5 billion in fiscal year 2001. Under pay-as-you-go [PAYGO] requirements, the cost of this measure subsequently must be offset by any combination of tax increases or entitlement savings in the same fiscal year. As of June, there are no savings from previously enacted PAYGO legislation with which to offset the cost of the bill. Hence, absent the enactment of further offsets, the bill would trigger automatic reductions (known as “sequestration”) in specified entitlement programs.

Because the measure was fully accommodated in the budget resolution, the Budget Committee Chairman has recommended enactment of legislation to suspend any sequester that may result from this bill.

| Summary of H.R. 2213 (budget authority and outlays, in millions of dollars) | |
|--|----------------|
| Market Loss Payments | 4,622.2 |
| Oilseed Producers | 423.5 |
| Other Producers | 284.9 |
| Specialty Crop Assistance | 159.4 |
| Commodity Assistance | 10.0 |
| Total | 5,500.0 |

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This document was prepared by the majority staff of the House Committee on the Budget. It has not been approved by the full committee and may not reflect the views of all the committee's members.